GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:562
ANSWERED ON:06.02.2017
Productivity of Steel Industry
Sawant Shri Arvind Ganpat

Will the Minister of STEEL be pleased to state:

(a) whether several indigenous iron and steel companies are finding it difficult to safeguard their existence in the country;
(b) if so, the details thereof and the reaction of the Government thereto;
(c) whether the annual per capital labour productivity of steel in the country is amongst the lowest in the world;
(d) if so, the details thereof and the reasons therefor; and
(e) the corrective measures taken/proposed to be taken by the Government to increase the productivity of steel industry?

Answer

THE MINISTER OF STATE FOR STEEL (SHRI VISHNU DEO SAI)

(a)&(b): Due to adverse global prices and predatory dumping of steel, the iron and steel companies were under financial pressure in 2015-16 as borne out by the financial performance of some major companies as shown under.

Profit After Taxes in Rs. Crore
2013-14 2014-15 2015-16
Bhushan Steel 61.9602 -1253.83 -2839.37
Tata Steel 6412.19 6439.12 4,900.95
SAIL 2616.48 2092.68 -4137.26
JSW 1334.51 2166.48 -3498.28
JSPL 1291.95 -310.68 -1018.88
Total of Above 11717.09 9133.77 -6592.84

The Government is aware of the above and has been taking some steps:

i) Imposition of Minimum Import Price(MIP), anti dumping and safeguard measures,
ii) Streamlining of raw material availability and credit flow as well as easing logistic & raw material movement to domestic steel sector.

(c)to(e): The labour productivity varies from plant to plant depending upon the technology, level of integration, efficiency, extent of outsourcing etc. and, therefore, inter-plant and inter-country comparisons may not necessarily reflect the efficiency in use of human resources only. However, India is amongst the lowest cost producer of steel other than CIS countries.

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